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Opening Statement Rep. Elijah E. Cummings, Ranking Member

Subcommittee on Economic Growth, Job Creation and Regulatory Affairs Hearing on "Poised to Profit: How ObamaCare Helps Insurance Companies Even If It Fails Patients"

June 18, 2014

Thank you very much, Mr. Chairman, and let me extend a warm welcome to our colleague, Senator Sessions. This is an important topic, and I look forward to hearing from all of our witnesses today.

For far too long in this country, we have been adding to the ranks of the uninsured. Before the Affordable Care Act, the number of uninsured Americans climbed year after year, amounting to what can only be described as a crisis of public health.

At the peak of this crisis, nearly 50 million people went uninsured. I have always believed that as a nation, we must do better. This is one of the reasons I came to Congress.

I am proud to say that today, we are doing better. More than 8 million people have now enrolled in health insurance through the Affordable Care Act exchanges. Millions more now have access to care through state expansions in the Medicaid program. And young adults across the country now have access to care through their parents' insurance plans.

Today, I would like to place into the record new data that our Committee has obtained on this issue.

Over the past several months, the majority staff of the Committee has been contacting health insurance companies that are participating in the Affordable Care Act exchanges. They have been requesting data about insurance company enrollment projections before the Affordable Care Act went into effect, as well as data about the actual levels of enrollment after October 1.

Although the data has some limitations, several conclusions may be drawn. First, at the highest level, this new data obtained by the Committee shows that actual enrollment exceeded insurance company projections by 4.0%. This result was achieved despite significant challenges with federal and state websites.

Importantly, the data provided by these insurance companies already removed individuals whose plans were canceled because they did not pay first month premiums.

In addition, there has been a lot of concern about whether young people between the ages of 18 and 34 were going to sign up for insurance under the Affordable Care Act. The new data from these insurance companies shows that enrollment among adults in this key age group exceeded insurance company projections by nearly 11%. The data also shows that this age group represented the single largest proportion of new enrollees at nearly 27%.

Insurance companies also provided data broken down by state. This data shows that enrollment exceeded projections in 18 of the 31 states for which the Committee obtained data.

Notably, some of the largest enrollment increases occurred in Republican-controlled states that were hostile to the Affordable Care Act. For example, the data obtained by the Committee shows that actual enrollment exceeded insurance company projections by more than 500% in Florida.

Now this data is only a sample, which is one of its limitations, but it clearly demonstrates that there is extremely strong demand for quality, affordable health insurance even despite vocal opposition from Republican governors, state legislatures, and insurance commissioners.

Mr. Chairman, I ask unanimous consent that a Fact Sheet that was prepared by my staff setting forth this data be entered into the official hearing record.

Today, we will discuss the reinsurance, risk adjustment, and risk corridors programs under the ACA. These programs are critical mechanisms to help insurance companies transition from a market in which they discriminated against people with preexisting conditions to one in which they must compete on the basis of quality and efficiency.

These programs are key features of the Medicare Part D program, one of President Bush's signature legislative initiatives. They were adopted by a Republican Congress. They have been extremely successful in the Part D program, and they will be successful for the Affordable Care Act.

Thank you again to all our witnesses, and I look forward to your testimony.

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